



Department of  
**General  
Services**



# Construction Contracts & Statute of Limitations

## Stakeholder Meetings

Joe Damico, Director



# Meeting Logistics



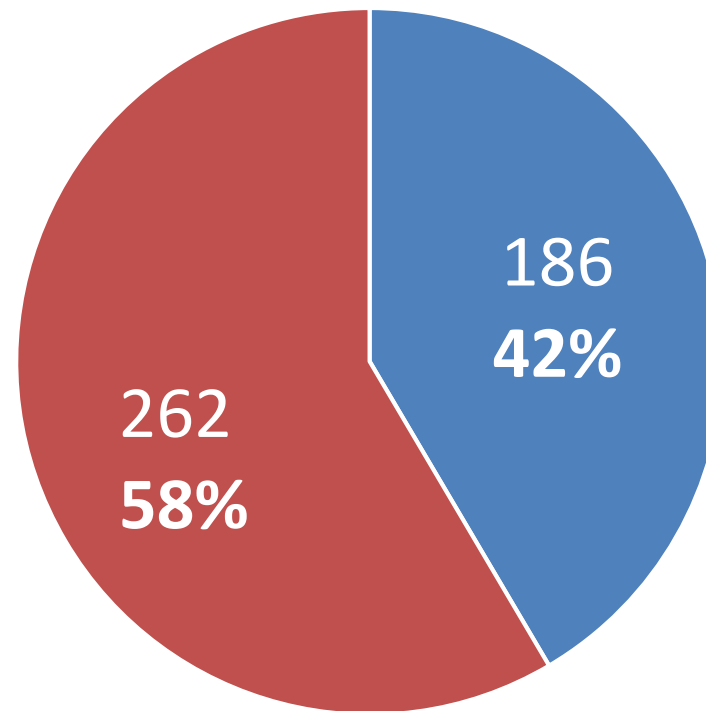
# Introduction

- Directed by 2019 Appropriation Act
- Sent survey to 1,558 stakeholders on 8/19/19
- Received 507 responses

*The data shown is actual responses received for each question. Not all respondents answered every question.*



Question: Were you aware that the Commonwealth of Virginia does not have a statute of limitations regarding construction and professional services contracts claims?



 No  Yes



# Survey Response Overview

	A/E	Contractor	Attorney	Surety	State Govt/ Higher Ed	Local Govt
# of responses (Total 507)	269 53%	138 27%	10 2%	24 5%	19 4%	47 9%
30+ Years of Experience	60%	67%	80%	67%	74%	83%
Certified Small Bus (Yes)	119 44%	78 57%	0	1 4%	0	0
Aware COVA does not have a SOL (yes)	74 of 233 32%	69 of 131 53%	6 of 6 100%	18 of 22 82%	7 of 15 47%	12 of 41 29%
Claims responses	19 (15 PS, 4 CS)	9 (4 PS, 5 CS)	0	0	4 (2 PS, 2 CS)	3 (3 CS)



# Nature of Claims







# Claims Overview

## Parties to the claim:

A/E	19
Contractor	9
Attorney	0
Surety	0
State Government/ Higher Education	4
Local Government	3

## Type of Claim:

Professional Services	21
Construction	14



# Claims Overview Continued

Procurement Method Used:

DBB	CM	DB	Emergency	A/E	Don't Know
20	5	5	1	2	2
57%	14%	14%	3%	6%	6%





TIME BEYOND COMPLETION	TYPE OF CLAIM		INITIAL VALUE OF CONTRACT		INITIAL VALUE OF CLAIM	SETTLED AMOUNT OF CLAIM
Less than 1	Professional Services		\$ 331,835,000.00		\$ 23,295,000.00	\$ 11,030,000.00
Less than 1	Construction		\$ 15,675,000.00		\$ 3,291,000.00	\$ 1,091,000.00
1 - 3	Professional Services		\$ 45,684,562.00		\$ 10,406,500.00	\$4,765,000.00
1 - 3	Construction		\$ 16,968,000.00		\$ 2,906,477.00	\$ 1,420,096.00
4 - 6	Professional Services		\$ 34,400,000.00		\$ 1,565,000.00	\$0.00
4 - 6	Construction		\$ 11,300,000.00		\$ 26,250,000.00	\$108,000.00
7 - 9	Professional Services		0		0	0
7 - 9	Construction		Do Not Know		\$ 2,000,000.00	\$ 600,000.00
10 or more	Professional Services		0		0	0
10 or more	Construction		\$ 79,000,000.00		\$ 20,130,000.00	\$12,000,000.00



# Review of data in the handout



# Errors and Omissions

If the Commonwealth of Virginia adopted a statute of limitations, how would it affect your Errors and Omissions Insurance based on the following:

<u>Value</u>	<u>SOL Limit</u>
\$5 Million	5 year, 10 year, 30 year
\$50 Million	5 year, 10 year, 30 year
\$200 Million	5 year, 10 year, 30 year

*(The charts reflect the A/E responses and Insurers responses – pages 2-4)*



# Performance and Payment Bond

If the Commonwealth of Virginia adopted a statute of limitations, how would it affect your Performance and Payment Bond based on the following:

<u>Value</u>	<u>SOL Limit</u>
\$5 Million	5 year, 10 year, 30 year
\$50 Million	5 year, 10 year, 30 year
\$200 Million	5 year, 10 year, 30 year

*(The tables reflect Contractor responses and Insurers responses-  
pages 5-7)*



# Additional Survey Questions

- Additional data charts showing the following:
  - Would adding a statute of limitations affect the overall cost of construction/design projects?
  - Would a statute of limitations require a greater need to extend warranties?
  - Would a statute of limitations require a greater need for more inspections?



# Presentations